

## Message Text

PAGE 01 STATE 091438

21

ORIGIN IO-03

INFO OCT-01 ISO-00 /004 R

66011

DRAFTED BY: IO/MD:HWING:GAS

APPROVED BY: IO:DMCCLELLAN

----- 114746

R 221850Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY ABIDJAN

AMEMBASSY BAMAKO

UNCLAS STATE 291438

FOLLOWING REPEAT STATE 291438 ACTION VIENNA ROME PARIS  
MONTREAL ADDIS ABABA SANTIAGO BANGKOK USUN GENEVA 10 DEC 75

QUOTE

UNCLAS STATE 291438

FODAG NESCO

E.O. 11652: N/A

TAGS: UNDP, EAID

SUBJECT: UNDP FINANCIAL CRISIS

MONTREAL FOR ICAO

VIENNA FOR UNIDO

REF: STATE 283820

1. FOLLOWING SEVERAL MEETINGS WITH REPRESENTATIVES OF  
WEO'S AND G-77 IN NEW YORK LAST WEEK UNDP ADMINISTRATOR  
HAS DECIDED NOT TO CALL FOR SPECIAL SESSION OF UNDP  
GOVERNING COUNCIL (GC) IN DECEMBER TO ACT ON FINANCIAL  
CRISIS. AS A RESULT OF DEFINITE AND PROVISIONAL  
UNCLASSIFIED

PAGE 02 STATE 091438

ASSURANCES THAT SUBSTANTIAL CONTRIBUTIONS WILL BE MADE  
AVAILABLE TO UNDP OVER NEXT FEW WEEKS, UNDP'S SHORT AND  
MEDIUM-TERM FINANCIAL CRUNCH APPEARS TO HAVE BEEN  
SURMOUNTED.

2. INSTEAD OF SPECIAL SESSION ADMINISTRATOR PETERSON PLANS INFORMAL MEETING OF GOVERNING COUNCIL REPRESENTATIVES AND OTHER INTERESTED PARTIES IN NEW YORK FOR "INFORMATIONAL PURPOSES" ON DECEMBER 11, FOLLOWED BY MEETING WITH REPRESENTATIVES OF SPECIALIZED AGENCIES IN

GENEVA ON DECEMBER 12. THERE WILL THEN BE FULL AIRING OF FINANCIAL SITUATION AND UNDP'S LONGER-TERM REQUIREMENTS AT NEXT REGULAR UNDP GOVERNING COUNCIL MEETING BEGINNING JANUARY 12 IN NEW YORK. A SECOND MEETING WITH SPECIALIZED AGENCY REPRESENTATIVES WILL TAKE PLACE SHORTLY BEFORE GC OPENS.

3. G-77 REPRESENTATIVES HAD PRESSED VIGOROUSLY FOR SPECIAL SESSION WITH AVOWED PURPOSE INTER-ALIA OF ADMONISHING UNDP MANAGEMENT AND IT WAS ONLY WITH DIFFICULTY THAT ADMINISTRATOR EVENTUALLY PERSUADED THEM THAT ADDITIONAL FUNDS EXPECTED SHORTLY WOULD PRECLUDE NECESSITY FOR EMERGENCY SPECIAL SESSION TO REQUEST GENERAL ASSEMBLY FOR BORROWING AUTHORITY. DEFINITE COMMITMENT OF ITALY TO PAY \$16.4 MILLION THIS MONTH, U.S. INDICATION OF INTENT TO MAKE SUBSTANTIAL PAYMENT IN JANUARY IF POSSIBLE, AND SHORT-TERM ADVANCE FROM FAO OF \$10 MILLION, WERE MAJOR FACTORS IN CONVINCING UNDP AND G-77 THAT MAJOR REVIEW OF FINANCIAL SITUATION COULD BE DELAYED UNTIL JANUARY.

4. WHILE FULL DETAILS OF MEASURES TO BE TAKEN BY UNDP TO REDUCE COMMITMENTS NEXT YEAR NOT AVAILABLE, IT SEEMS CERTAIN THAT ATTEMPT WILL BE MADE TO CUT BACK 1976 EXPENDITURES BY \$40 MILLION TO \$370 MILLION TOTAL. SPENDING STILL EXPECTED TO MEET IPF'S FOR THE ENTIRE PROGRAM CYCLE. INSTRUCTIONS WITH REGARD TO MEASURES FOR CURTAILING 1976 EXPENDITURES HAVE GONE OUT TO RESIDENT REPRESENTATIVES AND THEY TOGETHER WITH GOVERNMENTS WILL BE SEEKING WAYS TO CARRY OUT. UNDOUBTEDLY THESE UNCLASSIFIED

PAGE 03 STATE 091438

MEASURES WILL BE REVIEWED WITH SPECIALIZED AGENCIES IN DECEMBER 12 AND SUBSEQUENT MEETING.

5. DISCUSSIONS ON THE FINANCIAL SITUATION AT THE JANUARY GOVERNING COUNCIL EXPECTED TO FOCUS ON (A) INCREASE OF VOLUNTARY CONTRIBUTIONS; (B) REDUCTION OF UNPAID AMOUNTS DUE; (C) CONVERSION OR ENHANCED UTILIZATION OF DIFFICULT CURRENCIES (MAINLY, NON-CONVERTIBLE EAST EUROPEAN CONTRIBUTIONS) AND (D) ADJUSTMENT OF THE PROGRAM.

6. DEPARTMENT WILL ENDEAVOR TO KEEP MISSIONS INFORMED AS THERE ARE FURTHER DEVELOPMENTS. WOULD APPRECIATE HEARING COMMENTS FROM AGENCY POINT OF VIEW. INGERSOLL

UNQUOTE ROBINSON

UNCLASSIFIED

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 15 SEP 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PFOR  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** saccheem  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE091438  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** IO/MD:HGWING:GAS  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760199/baaaeony.tel  
**Line Count:** 112  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** saccheem  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 MAR 2004 by CollinP0>; APPROVED <03 AUG 2004 by saccheem>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNDP FINANCIAL CRISIS  
**TAGS:** CE  
**To:** ABIDJAN  
BAMAKO  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006